

Department of Revenue

Restoration of Wisconsin and Minnesota Tax Reciprocity

The Citizens of Northwest Wisconsin Request

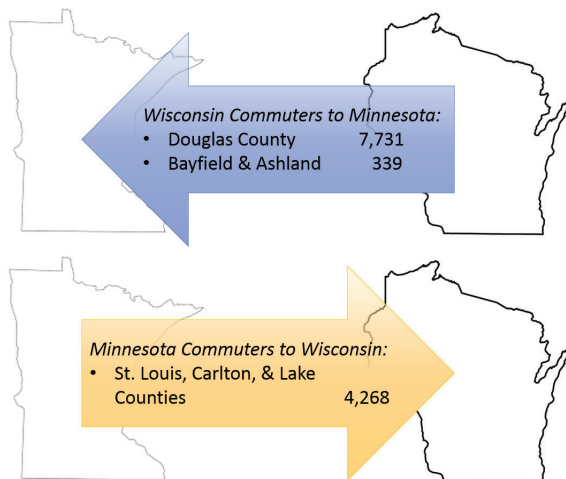
Restoration of State Income Tax Reciprocity for citizens of Wisconsin and Minnesota that live in one state but work in another.

Background

The Citizens of Northwest Wisconsin respectfully request that the Wisconsin Department of Revenue engage the Minnesota Department of Revenue in discussions and negotiation for the restoration of income tax reciprocity for those workers that live in one state but work in another. Wisconsin and Minnesota currently have reciprocity agreements with several surrounding states and have previously participated in an agreement between these two states. The Wisconsin-Minnesota agreement was terminated under the administrations of Governors Doyle and Pawlenty and both states have since elected new governors twice.

The termination of the Wisconsin-Minnesota agreement has had adverse financial impacts for citizens of both states each year since. Many, if not most, income tax payers pay for tax preparation services and the added returns and increased complexity of working and living in different states without reciprocity increases the cost of those services. Even those who do not incur direct tax preparation costs suffer increased time and frustration as they must navigate the income tax process of two separate states.

The previous tax reciprocity agreement worked well for taxpayers in both states. The differences that led to the termination of the agreement were simply differences between the administrations of each state. We urge the Evers administration to take the lead in drafting and securing a new agreement.



U.S. Census Bureau, 2015 5-Year American Community Survey, 2015